

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF TOLL AND ACCESS)
CHARGE PRICING AND TOLL SETTLEMENT)
AGREEMENTS FOR TELEPHONE UTILITIES) CASE NO. 8838
PURSUANT TO CHANGES TO BE EFFECTIVE)
JANUARY 1, 1984)

O R D E R

On September 6, 1983, Continental Telephone Company of Kentucky ("Continental") filed a motion seeking an extension of time for filing its access charge tariffs from the September 30, 1983, date established by the Commission's Order of August 29, 1983, to October 7, 1983. Continental's motion also sought authority to simply adopt or concur in the Exchange Carrier Association ("E.C.A.") tariff by reference only.

The Commission has scheduled hearings on the proposed intra-state access charge tariffs for October 25, 1983. At a minimum, the parties will require a 3-week interval between the tariff filing and the hearing to evaluate the tariffs and participate effectively, given the expected complexity and novelty of the tariffs.

Having considered the motion, the Commission FINDS that the September 30, 1983, scheduled filing date should be changed to October 4, 1983, by 12 noon. However, the Commission agrees with

Continental's proposal to file a statement cross-referencing the relevant portions of the E.C.A. tariff in which Continental concurs, provided that South Central Bell Telephone Company ("South Central Bell") files the entire E.C.A. tariff on September 30, 1983, and Continental files its interstate and intrastate access charge tariff provisions which deviate from the E.C.A. tariff by October 4, 1983.

On September 13, 1983, the Attorney General's Consumer Protection Division ("Attorney General") and the Independent Telephone Group ("Independent Group") filed motions seeking modification and/or clarification of the Commission's Order entered August 29, 1983. Concerns apparently center on language in that order which has been interpreted by these parties to mandate the filing of joint tariffs between telephone utilities for access charges. The Commission's August 29, 1983, Order refers to the filing of "tariffs which reflect a joint system of access charges for end users (customers) and interexchange toll carriers." "Joint system" in that context refers to a system of both end user and interexchange carrier charges, not tariffs jointly proposed and supported by multiple telephone utilities. Under this interpretation, it is clear that the issue of whether intrastate end-user charges and interexchange carrier charges are warranted is still under consideration.

The Independent Group also asked the Commission to require South Central Bell to provide certain information concerning its proposed settlement plan. In its Order of September 8, 1983, the Commission required South Central Bell to provide a statement of

the effect of its settlement proposal on each independent telephone company and on itself. South Central Bell is also required by that Order to state the effects on total dollar settlements for each of the years 1980, 1981, and 1982 and a projection of settlements for each company under the proposal. This comparison is expected to include a forecast of both 1983 and 1984 toll settlements, since the average company settlements were increased in 1982 and 1983. The 1984 comparison should reflect the effects of two different scenarios: one, no reduction in intrastate toll rates, and two, a toll reduction equivalent to that proposed in Case No. 8847, South Central Bell's current rate case. Thus, the information requested should meet the needs of the Independent Group.

The Independent Group is required to comment on the strengths and weaknesses of the South Central Bell proposal by September 30, 1983. This requirement presumes that all telephone utilities and parties to this proceeding would previously have been given a complete description of that proposal by South Central Bell. So that there is no misunderstanding on this point, the Commission will require South Central Bell to provide a complete description to each party and telephone utility by the deadline for responding to the Order, September 22, 1983.

On September 16, 1983, Brandenburg Telephone Company ("Brandenburg") submitted a letter requesting authority to concur in tariffs filed by South Central Bell. The Commission will treat this letter as a motion which is substantively similar to that presented by the Independent Group.

On September 16, 1983, Allied Telephone Company of Kentucky, Inc., ("Allied") filed a motion seeking detail on the South Central Bell settlement proposal, and pertinent data related thereto similar to the concerns expressed by the Independent Group. Allied's motion also requested that the date for filing of testimony and tariffs, as well as the response to the Commission's Order of September 8, 1983, be advanced 2 weeks from the date South Central Bell files its testimony. On September 19, 1983, the Independent Group filed a motion requesting 15 days from September 22, 1983, to file its response to the Commission's Order of September 8, 1983, requiring comments on the South Central Bell settlement proposal.

As discussed above, the detailed information necessary for analysis of the proposed settlement plan offered by South Central Bell will be provided on September 22, 1983. The hearing schedule will not permit the extension of time being requested by Allied and the Independent Group; however, an extension until October 4, 1983, is granted herein for the filing of testimony, tariffs and responses to the Commission's Order of September 8, 1983.

Finally, as noted above, the Commission will permit telephone utilities, including the Independent Group and Brandenburg to adopt the E.C.A. tariff by reference, except interstate and intrastate access charge tariff provisions which deviate from the E.C.A. tariff must be filed with the Commission by October 4, 1983.

IT IS THEREFORE ORDERED that Continental's motion be and it hereby is sustained in part and denied in part in accordance with the findings above.

IT IS FURTHER ORDERED that the Attorney General's motion and the Independent Group's motion for clarification be and they hereby are sustained in accordance with the discussion above.

IT IS FURTHER ORDERED that the Independent Group's motion seeking information from South Central Bell be and it hereby is sustained to the extent provided above.

IT IS FURTHER ORDERED that South Central Bell shall file with the Commission an entire copy of the E.C.A. tariff on or before September 30, 1983, and shall provide all parties, including all telephone utilities, with a complete description of its settlement proposal by September 22, 1983, as well as copies of the responses to the Commission's Order of September 8, 1983, as discussed above.

IT IS FURTHER ORDERED that the Independent Group's motion seeking relief for average settlement schedule companies from filing separate access charge tariffs and cost support be and it hereby is sustained to the extent of similar relief previously granted Continental by this Order.

IT IS FURTHER ORDERED that Allied's motion for an extension of time be and it hereby is sustained in part and denied in part, as discussed above.

IT IS FURTHER ORDERED that the Independent Group's motion for an extension of time to file responses to the Commission's Order

of September 8, 1983, be and it hereby is sustained in part and denied in part, as discussed above.

IT IS FURTHER ORDERED that all telephone utilities shall publish once a week for 3 consecutive weeks in a newspaper or newspapers of general circulation the proposed access charge tariffs and the date, time, place and purpose of the hearings scheduled October 25, 1983, and November 21, 1983, by Order entered August 29, 1983. In instances when a telephone utility does not propose to implement intrastate access charges, the public notice should state that: (1) although no end-user charge is proposed by the utility, the Commission may order that one be adopted; (2) although the amount of or structure of a carrier's carrier charge is currently indeterminable, the Commission may order such a charge be adopted; (3) any access charges ordered would be in addition to a customer's toll charges; and (4) other parties in the proceeding may propose tariffs which would provide for an end-user charge and that statewide consistency may necessitate that an end-user charge be applied to their customers.

IT IS FURTHER ORDERED that the above required notice shall include a statement concerning the FCC-mandated interstate access charges to end-users and state the amounts of these charges.

IT IS FURTHER ORDERED that one of the notices shall be published not more than 21 days nor less than 7 days prior to the hearing as required by KRS 424.130. Each notice or publication shall also include the following language:

The rates contained in this notice are the rates proposed by (insert name of telephone utility). However, the Public Service Commission may order rates to be charged that differ from these proposed

rates. Such action may result in rates for consumers other than the rates in this notice.

Done at Frankfort, Kentucky, this 20th day of September,
1983.

PUBLIC SERVICE COMMISSION


Chairman

Did not participate in this decision.
Vice Chairman


Commissioner

ATTEST:

Secretary